

## Press release

### Joint call for a mandatory insolvency protection scheme in the airline sector

***An effective protection of all actors impacted by an airline bankruptcy can only be achieved by an obligation to introduce a mandatory insolvency protection mechanism in the airline sector. A coalition of representatives of European consumers, the package travel industry, online intermediaries and insurance providers asks the European Commission to turn words into actions.***

Brussels, 7 December 2022. In an open letter released today, ECTAA and eu travel tech, together with organisations representing European consumers and insurance providers, urged the European Commission to include in its “better protection of passengers and their rights” [initiative](#) an obligation for airlines to provide financial guarantees covering their liabilities towards passengers in case of insolvency.

As it is the case for other providers in different industry sectors, the onus should be on the airlines to cover for the risks stemming from their own activities. For the co-signatories, neither the consumers, nor the taxpayers or package guarantee providers should be made accountable for the poor management of companies.

As pointed out in the letter, sudden disappearances of airlines are not a rare phenomenon and have even multiplied in the recent years. According to a 2020 [study](#) by the European Commission, between 2011 and 2019, 87 airlines went bankrupt, affecting 5.6 million consumers. The COVID-19 crisis put airlines’ finances under additional pressure. It is, therefore, not a surprise that, in the current uncertain times in Europe, analysts are still concerned about airlines bankruptcies or serious liquidity issues.

The co-signatories stress that an effective protection of all actors impacted by an airline bankruptcy can only be achieved by introducing a mandatory insolvency protection mechanism in the airline sector. Other measures considered such as encouraging consumers to purchase travel insurance or the appointment of dedicated national authorities dealing with repatriations to remedy the disruptions and financial losses caused by airline insolvencies would not be fair on either consumers or Member States and taxpayers respectively.

*“Travel agents and tour operators have been long advocating for the introduction of insolvency protection obligations for airlines, mirroring the existing obligations in the Package Travel Directive. The PTD can be a source of inspiration, as the Commission can take the example of the guarantee fund set up for years in Denmark,”* said Eric Drésin, ECTAA Secretary General.

*“The creation of mandatory airline insolvency protection should be coupled with the strengthening of the licensing oversight of EU air carriers, but stronger monitoring should under no circumstances replace the need for mandatory airline insolvency protection,”* concluded Emmanuel Mounier, eu travel tech Secretary General.

**-ENDS-**

Note to the editors:

The signatories are: AGE Platform Europe, BEUC (The European Consumer Organisation), the European Consumer Centres Network (ECCNET), the European Disability Forum (EDF), the European Passenger Federation (EPF), European Travel agents and Tour Operators' Association (ECTAA), European Guarantee Funds' Association for Travel and Tourism (EGFATT), ETOA - European tourism association, and eu travel tech.

The letter is attached to this press release.

**About eu travel tech**

eu travel tech represents the interests of travel technology companies. eu travel tech uses its position at the centre of the travel and tourism sector to promote a consumer-driven, innovative and competitive industry that is transparent and sustainable. Our membership spans Global Distribution Systems (GDSs), Online Travel Agencies (OTA), Travel Management Companies in business travel (TMCs) and metasearch sites. For more information on eu travel tech and policy priorities, please visit [www.eutraveltch.eu](http://www.eutraveltch.eu)

**About ECTAA**

ECTAA represents some 123,000 travel agents and tour operators in Europe, which provide consultancy and sell transport, accommodation, leisure and other tourism services as well as combined products to leisure and business customers. More about our activities, please visit [www.ectaa.eu](http://www.ectaa.eu)

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